

**REAL ESTATE APPRAISERS BOARD MEETING
MINUTES
FEBRUARY 11, 2004**

PRESENT: Patrick Buckett, Sharon Fiedler, LaMarr Franklin, Mark Kowbel, Roger Roslansky

STAFF PRESENT: Jerry Lowrie, Bureau Director; Ruby Jefferson-Moore, Legal Counsel; Pat Schenck, Program Assistant; and Division of Enforcement Staff.

GUESTS: Tom Cullen, Wisconsin Realtors Association
David Hague, WTCS; Michael Miller, City of Milwaukee, Dept. of Administration; Ed Huck, Wisconsin Alliance of Cities; Cindy McGinnis, Representative Lena C. Taylor's office; Larry Sager, Madison Area Technical College.

CALL TO ORDER

LaMarr Franklin called the meeting to order at 9:00a.m. A quorum of 5 voting members was present.

AGENDA

Additions to Agenda:

- Larry Sager, MATC Appearance - Under Item 10 b.
- Add Case Closing 99 APP 010 to Item 17 b. viii.
- Red Folder Item - Cincinnati Spring Conference April 24-26 added to Item 7. b.
- Changes to Administrative Rule-Making Procedures Required in 2003 Wisc. Act. 118
- Final Decision Jimmy Robinson to 16 b.

MOTION: Patrick Buckett, seconded by Roger Roslansky, to adopt the agenda with additions. Motion carried unanimously.

INTRODUCTION

Jack Temby introduced Mark Herman, Atty. Mr. Herman is a new attorney in the Division of Enforcement and will be representing the Business Boards.

ELECTION OF OFFICERS FOR 2004

The Real Estate Appraisers Board held open elections for Board Officers for 2004.

MOTION: Mark Kowbel moved, seconded by Roger Roslansky, to appoint LaMarr Franklin as Chair, Patrick Buckett as Vice Chairman, and Mark Kowbel as Secretary. Motion carried unanimously.

APPOINT BOARD REPRESENTATIVES FOR SCREENING PANEL

LaMarr Franklin, Chair, called for Board members to serve as screening panel members.

The Screening Panel will remain the same, Patrick Buckett, LaMarr Franklin and Mark Kowbel.

APPROVAL OF MINUTES (OCTOBER 15, 2003)

MOTION: Patrick Buckett moved, seconded by Mark Kowbel, to approve the minutes of October 15, 2003 as written. Motion carried unanimously.

ADMINISTRATIVE REPORT ACKNOWLEDGEMENT OF VISITORS

Jerry Lowrie acknowledged Mr. Tom Cullen from the Wisconsin Realtors Association. Mr. Cullen is interested in the unauthorized practice of law, and the State Bar's mission statement.

BOARD ROSTER

Noted.

2004 MEETING DATES

Noted.

SUMMARY REPORTS ON PENDING COURT CASES, DISCIPLINARY CASES AND ADMINISTRATIVE RULES AND PRESS RELEASES

Noted.

TO-DO LIST

Noted.

REGULATORY DIGEST ARTICLES

Mr. Lowrie called for articles and suggestions for the Regulatory Digest Newsletter for the Real Estate Appraisers Board. Items and suggestions for articles for the newsletter are:

1. Two USPAP articles by a former board member.
2. Rule changes.
3. Discrepancy of property listing information and sale price and transfer returns update from the Dept. of Revenue (Sharon Fiedler).
4. New qualifying experience hours of 2000.
5. New Technical School courses to meet experience hours and continuing education.
6. Mark Kowbel – article on new AQB requirements.
7. Dr. Barbara Showers - article regarding the technical schools.
8. Disciplinary Actions.

ADMINISTRATIVE REFORM BILL

Jerry Lowrie reported on the new “Changes to Administrative Rule-Making Procedures Required in 2003 Wisconsin Act 118”. The new changes will require more research regarding rule making procedures. Some changes include private sector fiscal estimates, additions to scope statements, additions to draft rule reports and additions to legislative reports. Chris Klein, the Departments legislative liaison, will meet with the individual Boards regarding the above changes.

AARO

AARO NATIONAL MEETING IN WASHINGTON, DC ON OCTOBER 25-28, 2003 – JERRY LOWRIE, SHARON FIEDLER

Sharon Fiedler reported on the AARO National Meeting in Washington DC she attended with Jerry Lowrie on October 25-28, 2003. Issues discussed in break-out sessions were:

1. The Appraisal Sub-Committee has requested that people be removed from the AQB National Register when they do not comply with continuing education. A policy paper regarding this issue will be mailed to all state boards.
2. Board members from across the country are having problems in finding time to review cases.
3. Sentencing and discipline guidelines were discussed. Florida and Nevada distributed a copy of their guidelines in discipline options.
4. Several states have hired private investigator companies to work on discipline cases.
5. Communicating with licensees by internet, web-sites work the best and electronic newsletters did not work, as licensees never read the newsletter.
6. Some states are requesting that continuing education course providers send a list back to the state of all attendees in a course for a cross-reference on attendance.
7. Some states conduct random audits of continuing education over the phone.
8. Nebraska has a mentoring program to assist students in meeting experience hours. The student pays the mentor for this training.
9. An attorney from Kansas presented an overview of FIRREA, along with a summary of how they function and conduct business.

Ms. Fielder will provide the Board members additional information on other break-out sessions she attended by e-mail.

AARO SPRING CONFERENCE CINCINNATI, OH - APRIL 23-26, 2004

Jerry Lowrie reported that the AARO Spring Conference in Cincinnati, OH is actually being held in Kentucky. The Board has already used their travel funds for this fiscal year. Board members may attend this meeting at their own expense.

AARO NEWS- RED FOLDER ITEM

Information only.

LEGISLATION AND ADMINISTRATIVE RULES PUBLIC HEARING RELATING TO APPLICATIONS, EXAMINATIONS, APPRAISAL EXPERIENCE AND CONTINUING EDUCATION RL 80-87 9:30 A.M.

A public hearing was held to obtain comments from the public regarding applications, examinations, appraisal experience and continuing education rule revisions to RL 80-87.

There was a correction on line 2, page 5, (and examination) was changed to (~~and examination~~). There will be no exam for this biennium. If AQB puts the examination requirement back, the Board will change the rule at that time.

There were no comments from the public. Written comments must be submitted on or before 2/20/04. The hearing adjourned at 9:40 a.m.

CHEATING ON EXAMS – RL 4 – JERRY LOWRIE

Jerry Lowrie reported on the Department's universal cheating policy. The new RL 4 rule will create consistency and efficiency regarding discipline. Mr. Lowrie asked for the Board member's comments regarding the Department's new cheating rule. Boards may use their discretion regarding discipline.

PROPERTY FLIPPING

Mr. Lowrie introduced Ed Huck and Cindy McGinnis. Ms. McGinnis has authored the bill LRB-3347/2. Ms. McGinnis reported on the rules incorporated into this bill.

The Board reviewed and made corrections and additions to this bill. The bill will need to be redrafted with the changes requested by the Board. The legislative session ends in March and will begin again in January of 2005. Having a telephone conference was discussed to approve the bill after it has been redrafted.

Those who are advocating for the bill will request for a legislative counsel study to probe the issue further.

BOARD MEMBER ACTIVITY

None.

EDUCATION, EXPERIENCE AND EXAMINATION ISSUES REPORT OF THE REA EDUCATION AND EXPERIENCE ADVISORY COMMITTEE MEETING OF FEBRUARY 10, 2004.

Mark Kowbel reported on the REA Education and Experience Advisory Committee meeting on February 10, 2004. The Committee reviewed and discussed:

1. The AQB Sixth Exposure draft, and suggested that the qualifying education requirements for certified residential be changed from 200 to 215 hours, with 15 hours for site evaluation and 15 hours for cost approach for a total of 30 hours.
2. The Committee suggested that Dr. Showers talk to the schools to discuss the feasibility of the schools having curriculum in place prior to the Department setting a deadline date for the increased experience hours.
3. Contact technical schools to have them encourage students to take the 75 education hours prior to taking the USPAP exam.
4. Larry Sager, WTCS, met with the Committee and reported on the course outline for Technical Colleges for candidates to obtain experience hours required by AQB.
5. AQB requirements and increased hours become effective January 1, 2006. Schools should have something in place by that time.
6. College degree program recommended January 1, 2008, but they may need more time to get courses ready.
7. Deadline date has passed to respond to the Sixth Exposure Draft. There were no major changes other than editorial and grammatical errors.
8. Discussed college degree, suggested requirement for certified general and certified residential. Current language doesn't require a candidate to have a college degree but requires 21 hours of equivalent courses in related fields that would apply to appraisal education requirements.
9. The Board will have to look at changing the rules once the steps are in place for implementing the AQB requirements.

STATUS OF INTERNSHIP PROJECT

Larry Sager, MATC, met with the Board and presented a draft course proposal from the Wisconsin Technical College System to assist applicants in attaining the 2000 experience hour requirement of AQB. The goal of the technical college is to provide courses which meet the needs of the real estate appraisers, make courses affordable, quality courses, and make them available state wide.

The technical school would like the approval from the Board and the Department on the courses submitted for review. This is the first of fourteen courses that will be developed and will be provided to all Wisconsin Technical Schools. The outcome of this course would be for students to produce USPAP-compliant appraisals performed for a client that utilize actual subject properties. Students would get credit for both the classroom instruction and the field experience portions of the class, but field experience must be a least 50% of the total hours.

Instructors would meet qualifications of RL 84 (credentialed, without discipline, 5 or more years experience in the subject area) and must be qualified by the Technical College system with the appropriate credentials to teach this course. Where necessary AQB certified instructors would serve in a consulting capacity to work with a course instructor to review appraisal reports and make clear what needs to be done for each student to complete an appraisal. Each course will be monitored by an AQB Certified USPAP instructor to be sure that the appraisals comply with USPAP.

The course is 72 hours and costs \$126.00. The course materials will include a USPAP 2004 course and a text book on the "Fundamentals of Real Estate Appraisal".

The opportunity to take these courses will be state-wide to obtain the experience hours required by AQB. The Committee would like to have these courses modified so real estate appraisers could come back and take subsequent courses without having to take all courses. Setting this course up in modules and having them approved by the Department for continuing education was discussed.

MOTION: Roger Roslanky moved, seconded by Mark Kowbel, to approve the course and the concept presented. Motion carried unanimously.

APPRAISER EXPERIENCE REQUIREMENTS

No report at this time.

PRACTICE ISSUES UNAUTHORIZED PRACTICE OF LAW

Jerry Lowrie reported on the State Bar's new mission statement. A hearing was held on November 2003 before the Supreme Court to consider revamping the definition of the practice of law. The Supreme Court advised the State Bar to revise and clarify mission statement, bring in interested parties that would be impacted, and the State Bar would finance all expenses.

This new definition of the practice of law could impact the Real Estate Appraisers profession amongst other professions in the Department. Secretary Donsia Strong Hill sent a letter to the State Bar requesting participation in the committee's efforts and coordinating additional participation on the committee by members of the credentialing

boards to make specific recommendations for adoption of Supreme Court rules related to the unauthorized practice of law. Because many professions practice some form of law, this could impact many professions.

APPRAISAL SUBCOMMITTEE

Ruby Jefferson-Moore reported that we have until the first week in March to submit a written response to their audit of the Department

APPRAISAL FOUNDATION APPRAISER QUALIFICATIONS BOARD COMMENTS ON FIFTH EXPOSURE DRAFT-REAL PROPERTY APPRAISER QUALIFICATIONS CRITERIA.

Discussed previously.

SIXTH EXPOSURE DRAFT ON REVISING THE REAL PROPERTY APPRAISER QUALIFICATIONS CRITERIA.

Completed.

APPRAISAL STANDARDS BOARD USPAP QUESTIONS AND ANSWERS

Information only.

EDITIONS OF USPAP AND FAQ ARE NOW AVAILABLE

The Department purchased copies for public members only.

AQB PUBLIC MEETING SUMMARY, OCTOBER

Information only.

PRESENTATION OF PROPOSED STIPULATIONS BY DIVISION OF ENFORCEMENT

None.

INFORMATIONAL MATTERS

The Board reviewed the Final Decision in the matter concerning Jimmy Robinson.

CLOSED SESSION

MOTION: Roger Roslansky moved, seconded by Sharon Fiedler, to convene to Closed Session to deliberate on cases involving hearings (s. 19.85 (11) (a), Stats.); to consider licensure or discipline (s. 19.85(1) (b), Stats. to consider individual histories or disciplinary data (s. 19.85(1) (f), Stats.); and to confer with legal counsel (s. 19.85(1) (g), Stats. Motion carried by roll call vote: Patrick Buckett-yes, Sharon Fiedler-yes, Mark Kowbel-yes, Roger Roslansky-yes.

Open Session recessed at 11:02 a.m.

RECONVENE TO OPEN SESSION

MOTION: Mark Kowbel moved, seconded by Roger Roslansky, to reconvene into Open Session at 11:40 a.m. Motion carried unanimously.

VOTE ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION, IF VOTING IS APPROPRIATE

**MONITORING REPORT
98 APP 001 PATRICK VAN VONDEREN**

Sandy Meyer presented a request from Patrick Van Vonderen to have limitations removed from his license.

MOTION: Mark Kowbel moved, seconded by Sharon Fiedler, to request that Patrick Von Vonderen submit the next three 1004 reports to the Board for review. Motion carried unanimously.

00 APP 016 JOHN D. WALSH

Postponed until May 12, 2004.

**CASE CLOSINGS
99 APP 007**

MOTION: Roger Roslansky moved, seconded by Mark Kowbel, to close case 99 APP 007 for prosecutorial discretion (P5) on Germain Johnson, and to keep open case 99 APP 007 on Paul Shore. Motion carried unanimously.

03 APP 016

MOTION: Mark Kowbel moved, seconded by Sharon Fiedler, to close case 03 APP 016 for no violation. Motion carried unanimously.

03 APP 009

MOTION: Roger Roslansky moved, seconded by Mark Kowbel, to close case 03 APP 009 for prosecutorial discretion (P1). Mark Kowbel, case advisor. Motion carried.

00 APP 017

MOTION: Mark Kowbel moved, seconded by Sharon Fiedler, to close case 00 APP 017 for prosecutorial discretion (P3). Sharon Fiedler, case advisor. Motion carried.

00 APP 011

MOTION: Roger Roslansky moved, seconded by Mark Kowbel, to close case 00 APP 011 for prosecutorial discretion (P3). Sharon Fiedler, case Advisor. Motion carried.

02 APP 058

MOTION: Mark Kowbel moved, seconded by Sharon Fiedler, to close case 02 APP 058 for insufficient evidence. Patrick Buckett, case advisor. Motion carried.

99 APP 010

MOTION: Mark Kowbel moved, seconded by Roger Roslansky, to close case 99 APP 010 for prosecutorial discretion (P3). LaMarr Franklin, case advisor. Motion carried.

03 APP 020

MOTION: Sharon Fielder moved, seconded by Roger Roslansky, to close case 03 APP 020 for no violation. Mark Kowbel, case advisor, Motion carried.

**STIPULATONS
JOHN W. NAUMAN**

MOTION: Roger Roslansky moved, seconded by Sharon Fiedler, to adopt the Stipulation, Findings of Fact, Conclusions of Law and Order in the matter concerning John W. Nauman. Motion carried unanimously.

PAUL M. DEANGELIS, JR.

MOTION: Mark Kowbel moved, seconded by Roger Roslansky, to adopt the Stipulation, Findings of Fact, Conclusions of Law and Order in the matter concerning Paul M. Deangelis, Jr. Motion carried unanimously.

LAWRENCE J. BRAUER

MOTION: Mark Kowbel moved, seconded by Sharon Fiedler, to adopt the Stipulation, Findings of Fact, Conclusions of Law and Order in the matter concerning Lawrence J. Brauer. Motion carried unanimously.

ADMINISTRATIVE WARNING

None.

CONFER WITH LEGAL COUNSEL

Patrick Buckett reported that a company has hired Real Estate Appraisers from the country of India.

SUCH OTHER ITEMS AS AUTHORIZED BY LAW

None.

ADJOURNMENT

MOTION: Mark Kowbel moved, seconded by Sharon Fiedler, to adjourn the meeting at 11:47 a.m. Motion carried unanimously.

Next Meeting: May 12, 2004

Suggested Agenda Items for May 12, 2004:

- 00 APP 016 John D. Walsh – Monitoring Report